

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7471

BILL NUMBER: SB 563

NOTE PREPARED: Jan 12, 2011

BILL AMENDED:

SUBJECT: Emergency Communications Fees.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill establishes the 11 member Statewide 911 Board (Board). It provides that the Treasurer of State serves as the chairperson of the Board.

The bill establishes the Statewide 911 Fund. It appropriates money in the fund. The bill provides that the Board shall administer the fund. It requires the Board to impose a statewide 911 fee on each standard and prepaid subscriber of voice communications service in Indiana. It deposits fees in the fund. This bill also prohibits a state agency or a political subdivision from imposing any additional fee relating to the provision of 911 service.

The bill specifies the manner in which the Board distributes money from the fund to public safety answering points (PSAPs). It specifies the permissible uses for funds distributed to a PSAP. It also allows a county to establish an emergency telephone notification system. The bill requires a voice communications service provider to provide to a PSAP the necessary subscriber data to enable the PSAP to implement and operate a 911 system. It provides that proprietary information submitted to the board is confidential.

The bill provides that after June 30, 2015, a county may not contain more than one PSAP. It requires each political subdivision or agency that operates a PSAP in a county containing more than one PSAP, not later than July 1, 2015, to enter into an interlocal agreement with every other political subdivision or agency that operates a PSAP in the same county. It makes conforming amendments.

It also repeals the statutes concerning: (1) the local monthly enhanced emergency telephone system fee; (2) the statewide monthly wireless enhanced 911 fee; (3) the enhanced prepaid wireless telecommunications service charge; and (4) emergency telephone notification systems. It provides for the expiration on July 1,

2015, of provisions that: (1) establish a public safety communications system and computer facilities district in a county having a consolidated city; and (2) allow certain other counties to establish a public safety communications systems district. The bill specifies that the remaining funds are transferred to the new Enhanced 911 System Fund. It specifies that funds remaining in: (1) the Wireless Emergency Telephone System Fund; (2) a county wireless emergency telephone system fund; or (3) a county or municipal wireline emergency telephone system fund; on July 1, 2011, are transferred to the Statewide 911 fund.

Effective Date: Upon passage; July 1, 2011.

Explanation of State Expenditures: *Statewide 911 Board:* This bill creates the Statewide 911 Board. The Board consists of 11 members and is responsible for administering the Statewide 911 Fund. The Board must also set procedures for the collection and remittance of the Statewide 911 fees, and distribute appropriate amounts to each PSAP. The costs of administering the Statewide 911 Fund will be paid from the Statewide 911 Fund (established by this bill). The bill also allows the Board to retain not more than 1% of remitted fees to reimburse the costs associated with administering the collection and remittance of fees. The bill provides for the expiration of the current Wireless E911 Advisory Board and state and local 911 fees.

Penalty Provision: This bill provides that a person who places more than 3 nonemergency 911 calls in any 12 month period commits a Class D felony if the repeated calls result in a delayed response to a 911 call that results in injury or death. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,818 annually, or \$13.20 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Statewide 911 Fee:* This bill imposes a \$1.00 fee for 911 services throughout the state. This fee is required to be imposed on any voice communication service subscriber within the state. The bill defines voice communications service to include voice over internet protocol (VOIP), multi-line telephone system, voice over power lines, and commercial mobile radio service (CMRS). The bill also repeals the authority for any other state or local fees to be imposed for 911 services.

The amount of the increase in revenue will ultimately be determined by the number of subscribers which are charged the fee that were not previously being charged this fee. The amount of any increase will also depend upon the actual collections by local governments under the new fee as compared to variable fee rates charged on only wireless and land line subscribers under current law. The fees are deposited in the Statewide 911 Fund. The fee is required to be imposed by the voice communication service providers, who are eligible to retain 1% of the fees for collection expenses. Sellers will collect fees from prepaid subscribers, and may retain 1% of the fees for collection expenses. The current wireless emergency enhanced 911 fee is \$0.50 per phone per month, and the enhanced emergency telephone system fee for land line phones varies by county, from about \$0.40 to \$3.25 per phone per month.

Statewide 911 Fund: The bill creates the non-reverting Statewide 911 Fund, which will be administered by the Statewide 911 Board. The Statewide 911 fees will be deposited in this fund, and distributed to PSAPs as determined by the Board. The bill provides that funds remaining in the Wireless Emergency Telephone System Fund will be transferred to the Statewide 911 Fund in FY 2012. Also, funds remaining in a county's wireless emergency telephone system fund and emergency telephone system fund, and a municipality's emergency telephone system fund will be transferred.

Penalty Provision: If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: This bill could increase local expenditures for compliance with the provisions in this bill requiring interlocal agreements and between local units that operate separate PSAPs within the same county. The bill does not require these agreements until July 1, 2015; therefore, the impact may not fully be realized until FY 2016. It is also estimated that some of these costs could be offset by the estimated increase in overall 911 fee revenues.

Penalty Provision: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: The bill provides that the Board will distribute the Statewide 911 fees to each PSAP in an amount determined by the Board.

Penalty Provision: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

Background Information - Revenues received from wireless emergency enhanced 911 fee for FY 2005 through FY 2010 are provided in the table below.

Fiscal Year	Revenue
2005	\$24.1 M
2006	\$30.5 M
2007	\$32.2 M
2008	\$24.7 M
2009	\$27.4 M
2010	\$28.3 M

State Agencies Affected: Treasurer of State; Department of Homeland Security. Department of Correction.

Local Agencies Affected: Public safety answering points. Trial courts, local law enforcement agencies.

Information Sources: Barry Ritter, Indiana Enhanced Wireless 911 Board, 317-234-2507; Vicky Pool, TOS, 317-232-6260.

Fiscal Analyst: Diana Agidi, 317-232-9867.